



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10**

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OFFICE OF  
ECOSYSTEMS, TRIBAL AND  
PUBLIC AFFAIRS

May 20, 2011

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: EPA Region 10 Review of the Draft Environmental Impact Statement for the Application for Hydropower License for the Boundary Hydroelectric Project (FERC Project No. 2144-038) and Application for Surrender of Hydropower License for the Sullivan Creek Project (FERC Project No. 2225-015). EPA Project Number: 11-015-DOE.

Dear Ms. Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed draft Environmental Impact Statement (DEIS) for the Application for Hydropower License for the Boundary Hydroelectric Project and the Application for Surrender of Hydropower License for the Sullivan Creek Project Pend Oreille County, Washington. Our review of the DEIS was conducted in accordance with our responsibilities under National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act.

Section 309 specifically directs the EPA to review and comment in writing on the environmental impacts associated with all major federal actions. Under our Section 309 authority, our review of the DEIS considers the expected environmental impacts, and the adequacy of the EIS in meeting procedural and public disclosure requirements of NEPA.

The DEIS evaluates the effects of two comprehensive settlement agreements entered into by the City of Seattle (Seattle) and the Public Utility District No. 1 of Pend Oreille County (District), as well as staff modifications to those agreements (the Staff Alternative). The settlement agreements detail the measures that Seattle would implement to address the effects of continued load-following operations of the 1,003-megawatt (MW) Boundary Project and the District's orderly disposition of the Sullivan Creek Project. The Boundary settlement agreement includes obligations for evaluating and providing fish passage for resident salmonids, reducing fish entrainment, improving aquatic habitat, stocking fish for recreational purposes, conserving native fish, groundwater well-decommissioning, acquiring and managing land for wildlife, and other measures for recreation and cultural resource enhancement and protection. Under the Sullivan Creek settlement agreement, the District would retain and operate under a Forest Service Special Use Authorization the Sullivan Lake dam and lake; install a new cold-water release intake at Sullivan Lake dam; remove Mill Pond dam, restore the site and the stream channel, and conduct short-term monitoring and maintenance to ensure the restored channel is functioning as designed.

The FERC staff's recommendation is to relicense the Boundary Project as proposed, with certain modifications and additional measures to improve administration of the license. The staff also recommends approval of the surrender application as proposed, with certain modifications to mitigate adverse effects to cultural resources and improve Commission oversight and administration of the surrender. The Staff Alternative has been identified as the preferred alternative.

Because the final Mill Pond Decommissioning Plan has not yet been completed, a number of questions remain unanswered within the DEIS. The Staff Alternative recognizes those information gaps and identifies conditions to address them. We support the inclusion of those staff conditions. Of specific interest to EPA are the conditions related to the inclusion of a disposal plan and a final sediment management plan. We also support the staff recommended detailed revegetation plan describing site stabilization measures and riparian and upland plantings to restore Sullivan Creek; the staff recommended Quality Control and Inspection Program that includes an erosion and sediment control plan; and the staff recommended Operation Compliance Monitoring Plan that would provide a mechanism to demonstrate compliance with the staff proposed operational constraints for the Sullivan Creek Project. We also concur with the staff recommendation to eliminate the provision for recreational fish stocking.

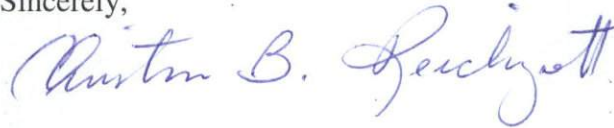
One element not addressed by the staff alternative is the off-site disposal of sediment generated through the Mill Pond project. According to page 335 of the DEIS, the Mill Pond dam removal would require off-site disposal of about 40,000 cubic-yards of sediment and stabilization of about 380,000 cubic yards on-site. The DEIS does not identify or analyze locations for disposition of that sediment. We encourage FERC to work with the applicant to identify and analyze potential locations in the FEIS.

Lastly we observe that Seattle proposes to place a total volume of 1,500 cubic yards of screened gravels between RM 29.1 and the Box Canyon dam to increase potential mountain whitefish spawning habitat. EPA does not oppose this action as it is a restoration action intended to improve habitat and lessen the Boundary Project's contribution to any cumulative effects related to sediment transport. It should be recognized, however, that this action would constitute a discharge into waters of the United States and thereby require a permit under Section 404 of the Clean Water Act. We recommend that the Final EIS indicate Seattle's intent to pursue a 404 permit for this action.

Overall, EPA is supportive of the terms of the settlement agreements, and we applaud the effort on the parts of Seattle and the District to work with the settlement parties to craft an agreement that should provide significant benefits to resources within the Pend Oreille River and its tributaries, while retaining Seattle's operational flexibility. We are assigning a rating of LO (Lack of Objection) to this DEIS, though we strongly encourage you to incorporate the recommended additions into the FEIS.

We appreciate the opportunity to provide comments, and I encourage you to contact me at (206) 553-1601 or by email at [reichgott.christine@epa.gov](mailto:reichgott.christine@epa.gov) , or Teresa Kubo of my staff at, (503) 326-2859 or [kubo.teresa@epa.gov](mailto:kubo.teresa@epa.gov).

Sincerely,

A handwritten signature in blue ink, reading "Christine B. Reichgott". The signature is fluid and cursive, with the first name "Christine" and last name "Reichgott" clearly legible.

Christine B. Reichgott, Manager  
Environmental Review and Sediment Management Unit



**U.S. Environmental Protection Agency Rating System for  
Draft Environmental Impact Statements  
Definitions and Follow-Up Action\***

**Environmental Impact of the Action**

**LO – Lack of Objections**

The U.S. Environmental Protection Agency (EPA) review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

**EC – Environmental Concerns**

EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce these impacts.

**EO – Environmental Objections**

EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no-action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

**EU – Environmentally Unsatisfactory**

EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

**Adequacy of the Impact Statement**

**Category 1 – Adequate**

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis of data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

**Category 2 – Insufficient Information**

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses or discussion should be included in the final EIS.

**Category 3 – Inadequate**

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the National Environmental Policy Act and or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

\* From EPA Manual 1640 Policy and Procedures for the Review of Federal Actions Impacting the Environment. February, 1987.